

Message Text

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46

ACTION EA-14

INFO OCT-01 EUR-25 NEA-10 ADP-00 SCEM-02 INT-08 AID-20

EB-11 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15 STR-08

OMB-01 CEA-02 COME-00 CIAE-00 DODE-00 INR-10 NSAE-00

PA-03 USIA-15 PRS-01 RSR-01 /160 W

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R 221000Z AUG 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6188

AMEMBASSY ABU DHABI

INFO AMEMBASSY BEIRUT

AMEMBASSY LONDON

AMEMBASSY KUWAIT

AMEMBASSY SEOUL

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E.O. 11652: NA

TAGS: ENRG, ETRN, JA, TC

SUBJ: JAPAN LINES' JOINT VENTURES

REF: ABU DHABI 1168

1. RE INQUIRY REFTEL, FOLLOWING IS GIST OF ARTICLE
WHICH APPEARED IN ASAHI PRESS AUGUST 18:

JAPAN LINES (JL) PRESIDENT MATSUNAGA ANNOUNCED
AUGUST 17 THAT HIS FIRM PLANS TO PARTICIPATE IN FOUR
NEW INTERNATIONAL JOINT VENTURES. TWO OF THESE,
ESTABLISHMENT OF 300,000 BBL/DAY CAPACITY OIL REFINERY
IN ABU DHABI AND FORMATION OF A JOINTLY OWNED SHIPPING
COMPANY, WILL BE CARRIED OUT IN COOPERATION WITH THE
GOVERNMENT OF ABU DHABI. RE SHIPPING PROJECT, JL WILL
REPORTEDLY BUILD (OR HAVE BUILT) EIGHTEEN 200,000 DWT
CLASS VLCC'S, FIRST OF WHICH WILL BE PUT INTO SERVICE
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BY ABU DHABI-JL JOINT VENTURE FIRM BY 1976. TANKER PROJECT IS

EXPECTED TO COST ABOUT \$1 BILLION, AND IS EXPECTED TO BE FINANCED THROUGH INTERNATIONAL MONETARY MARKET. ABU DHABI GOVERNMENT HAS PREPOTEDLY GIVEN BASIC AGREEMENT TO TWO VENTURES WITH JL. JAPAN LINES TECHNICAL MISSION IS SCHEDULED TO BE SENT TO ABU DHABI IN SEPTEMBER FOR DISCUSSION OF PROJECTS, TO BE FOLLOWED BY VISIT OF JL PRESIDENT MATSUNAGA TO CONCLUDE CONTRACTS.

2. ASAHI REPORT CONTINUES THAT TWO OTHER PROJECTS INVOLVE KOREA. ONE IS \$1 BILLION SHIPYARD CONSTRUCTION PROJECT IN KOJE ISLAND (ROK), WHICH WILL HAVE CAPACITY TO BUILD UP TO 200,000 DWT TANKERS. SECOND IS 150,000 BBL/DAY REFINERY TO BE CONSTRUCTED IN YOSU-KWANGYANG AREA OF ROK. JL HAS REPORTEDLY ASKED ROKG TO RECOMMEND KOREAN PARTNER FOR REFINERY PROJECT. NEGOTIATIONS ARE UNDERWAY WITH PROSPECTIVE KOREAN PARTNERS ON SHIPYARD CONSTRUCTION PLAN.

3. SOURCE IN PLANNING SECTION, OIL CARRIER DEPT OF JAPAN LINES TOLD EMB AUG 21 THAT ASAHI REPORT BASICALLY ACCURATE IN REFLECTING JL'S INTENTIONS, BUT THAT NUMBER OF OIL TANKERS, CAPACITY OF OIL REFINERIES, ETC., ARE PRELIMINARY ESTIMATES. SINCE DISCUSSIONS ON THESE PROJECTS ONLY AT INITIAL STAGES. HE CONFIRMED THAT ROK AND ABU DHABI PROJECTS LINKED, IN THAT JAPAN LINES WOULD USE PROJECTED SHIPYARD IN KOREA TO CONSTRUCT TANKERS IF YARD COULD BE COMPLETED IN TIME TO BUILD THESE VESSELS FOR JL-ABU DHABI JOINT VENTURE. SUZUKI CONCLUDED THAT FINANCING PLAN STILL INDEFINITE BUT THAT JL WOULD HAVE TO SEEK PARTNERS AMONG JAPANESE SHIPBUILDERS AND REFINERS IN ORDER TO REALIZE LARGE-SCALE PROJECTS.
SHOESMITH

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